

Response to Department of Telecommunications
and Energy
Second Set of Information Requests
Persons Responsible: James Wojcik and Counsel

Blackstone Gas Company
DTE 04-1

**SECOND SET OF INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**BLACKSTONE GAS COMPANY
D.T.E. 04-1**

Question:
DTE 2-1

All parties should comment on the nature and magnitude of any potential commodity-cost implications of a shift to a path, rather than slice-of-system, approach to capacity assignment, as raised in Bay State Gas Company's Reply Comments, at p.6.

Response:

Blackstone Gas Company has only one transportation contract. Thus, a change from slice-of-system to a path assignment has no impact. In addition, the Company cannot assign or release any portion of its capacity under the terms of the Tennessee Tariff.

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**BLACKSTONE GAS COMPANY
D.T.E. 04-1**

Question:
DTE 2-2

Please provide a discussion of other potential implications, besides commodity costs addressed in the previous Information Request, of a shift to the path-based capacity-assignment standard.

Response: See response to DTE 2-1.

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**BLACKSTONE GAS COMPANY
D.T.E. 04-1**

Question:
DTE 2-3

Discuss the question as to (i) whether a shift to the path capacity-assignment standard will ease administrative burdens of contract management and thereby increase competitiveness of marketers and (ii) assuming a fully and workably competitive Massachusetts gas market, whether the impact of path-specific commodity-cost differentials will diminish as transportation volumes increase as a percentage of LDC throughput.

Response: See response to DTE 2-1.

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D.T.E. 04-1**

Question:
DTE 2-4

Assuming the Department were to adopt a standard of path-based capacity assignment, please enumerate and discuss what Terms and Conditions changes might be necessary to implement such a shift.

Response: See response to DTE 2-1.

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**BLACKSTONE GAS COMPANY
D.T.E. 04-1**

Question:
DTE 2-5

What Terms and Conditions changes might need to be implemented in order that a shift to the path capacity-assignment standard would spare firm and transportation customers of any commodity-cost subsidization?

Response: See response to DTE 2-1.

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Question:
DTE 2-6

Each LDC should address whether or not it releases capacity on a monthly basis or some other basis, such as the term of the underlying contract, noting the relevant provisions of the company's Terms and Conditions, and explaining any variance from those provisions.

Response: See response to DTE 2-1.

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Question:
DTE 2-7

If the Department were to decline to adopt the terms and conditions changes proposed by the marketers¹ and adopted a path approach instead of a slice-of system approach, please address the effect on system operations and competition.

Response: See response to DTE 2-1.

¹ These changes include: (I) monthly re-call and re-release of capacity; (ii) balancing penalty provisions; (iii) synchronization of nomination deadlines and procedures with industry standards; (iv) marketer access to the algorithms used by LDCs to forecast the usage of non-daily metered customers; and (v) modification of the algorithms used to forecast the usage of non-daily metered customers for summer and winter loads to exclude weather sensitivity calculations.

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Question:
DTE 2-8

If the Department were to adopt the terms and conditions changes proposed by the marketers and maintained the slice-of-system policy, please address the effect on system operations and competition.

Response: See response to DTE 2-1.